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COMPARISON OF CHANGES IN THE VALUE AND THE VOLUME OF FOREIGN TRADE

BY LAWRENCE B. MANN, *Federal Reserve Board*

Ever since the exports of war materials to Europe began in 1915 there has been much discussion as to how much of the great increase in the value of American foreign trade was due to increase in prices, and how much reflected the increased volume of shipments.

The Federal Reserve Board is now making studies of post-war trade conditions in order to determine the relative importance of changes of prices and changes in volume of shipments upon the value of exports and imports. For this purpose monthly exports of 29 commodities and monthly imports of 27 commodities have been studied. Each of these two major groups of commodities was divided into three minor

Date	Raw materials (12 commodities)		Producers' goods (10 commodities)		Consumers' goods (7 commodities)		Total exports (29 commodities)	
	Value	Volume	Value	Volume	Value	Volume	Value	Volume
1919								
Jan.....	219.6	98.2	382.4	159.0	405.0	186.4	268.1	124.7
Feb.....	147.8	68.3	322.9	125.9	405.7	175.2	211.0	99.0
Mar.....	152.2	67.3	350.7	139.3	481.3	202.3	230.7	106.1
Apr.....	162.5	76.0	382.7	166.9	606.9	264.9	264.6	129.3
May.....	167.0	78.9	311.0	137.7	435.0	192.9	229.5	111.4
June.....	251.1	114.8	520.7	247.1	761.6	315.1	369.8	174.7
July.....	185.2	84.0	310.7	147.9	415.8	172.7	239.2	110.9
Aug.....	212.6	94.9	349.5	168.8	393.5	161.6	258.1	117.5
Sept.....	174.7	82.1	368.6	166.9	340.8	142.4	222.2	104.1
Oct.....	186.4	82.1	349.7	148.1	358.3	150.6	232.4	104.4
Nov.....	312.0	116.2	320.7	135.7	369.0	153.5	323.6	126.9
Dec.....	289.8	104.6	258.5	113.9	350.8	143.1	298.7	114.6
1920								
Jan.....	314.7	108.7	322.1	134.9	304.3	116.2	313.4	112.9
Feb.....	232.6	81.9	305.6	122.4	342.1	136.8	259.4	98.7
Mar.....	304.0	106.0	357.4	148.8	477.5	186.0	341.2	128.9
Apr.....	228.7	79.5	359.3	147.5	444.3	169.1	280.2	107.1
May.....	208.3	73.5	352.7	150.4	509.1	205.5	277.0	111.9
June.....	185.1	64.9	315.3	126.4	393.8	151.5	235.3	91.1
July.....	239.2	78.1	380.0	164.4	354.8	142.3	272.8	101.3
Aug.....	235.3	78.7	334.9	135.4	253.7	94.7	247.1	87.7
Sept.....	257.6	82.5	300.4	119.7	259.7	94.0	261.6	88.6
Oct.....	331.2	118.7	391.4	152.2	327.2	124.4	335.4	123.1
Nov.....	269.9	111.1	306.0	121.8	309.3	111.6	280.4	112.2
Dec.....	260.7	122.4	458.5	186.0	311.8	123.3	287.0	128.4
1921								
Jan.....	199.8	105.2	466.1	187.9	277.9	126.0	236.8	117.6
Feb.....	158.9	91.0	325.6	141.0	219.3	116.4	184.2	101.6
Mar.....	132.3	78.2	244.2	104.4	205.5	122.4	155.5	91.1
Apr.....	117.4	76.6	212.1	102.7	193.2	122.5	139.6	89.9
May.....	147.4	97.7	157.2	81.8	169.9	112.8	152.5	100.0
June.....	151.8	107.9	135.0	74.4	199.7	135.1	159.4	111.3
July.....	153.6	111.6	118.6	68.3	195.7	131.8	158.7	112.5
Aug.....	195.4	142.7	118.2	68.1	227.9	164.1	195.1	140.9
Sept.....	151.9	115.7	129.3	79.1	199.4	147.5	159.0	119.9
Oct.....	183.3	121.7	120.7	83.5	153.3	119.2	172.4	117.6
Nov.....	137.3	95.1	126.6	83.7	146.3	108.6	138.1	97.3
Dec.....	129.8	93.8	115.2	74.1	140.8	106.5	126.9	95.0

groups—raw materials, producers' goods, and consumers' goods. A comparison was then made between changes in value and changes in volume in each of these six classes.

For purposes of combination the volume of shipments of each commodity was translated into dollars by multiplying by its average wholesale price in the United States in 1913. The combined values thus obtained were converted into index numbers by making the average monthly value in 1913 equal to 100. The value of exports or imports of each commodity, as shown by the Department of Commerce, were then converted into a comparable set of index numbers by adding the values of the commodities in each group and taking their average monthly value in 1913 as a base. Comparisons of the sets of index numbers thus obtained are shown for groups of exports in the preceding table.

Changes in value and volume of 27 imported commodities based on average monthly figures for 1913 follow:

Date	Raw materials (10 commodities)		Producers' goods (12 commodities)		Consumers' goods (5 commodities)		Total imports (27 commodities)	
	Value	Volume	Value	Volume	Value	Volume	Value	Volume
1919								
Jan.....	144.1	88.5	207.4	143.3	120.0	95.5	162.6	109.1
Feb.....	165.6	94.9	258.9	180.2	121.6	97.9	191.3	125.6
Mar.....	182.8	109.2	269.4	223.0	226.5	165.1	222.2	158.6
Apr.....	228.2	125.9	305.2	237.7	175.8	137.1	246.5	167.4
May.....	282.0	161.4	353.0	242.8	225.2	178.1	297.3	193.0
June.....	292.5	171.4	243.1	167.2	197.3	144.3	257.1	165.4
July.....	311.8	171.7	281.6	209.1	320.0	204.4	302.4	190.3
Aug.....	323.8	169.9	167.1	113.8	272.6	153.0	257.6	147.3
Sept.....	487.7	245.3	281.9	189.2	326.9	169.8	383.6	213.1
Oct.....	390.3	196.8	285.9	201.9	254.3	137.0	327.5	188.8
Nov.....	426.2	196.1	282.5	213.9	265.0	143.5	344.6	193.8
Dec.....	340.6	158.9	236.4	194.2	244.5	144.4	285.2	169.0
1920								
Jan.....	452.2	206.1	395.6	244.8	272.3	152.9	398.7	211.1
Feb.....	411.4	173.2	498.5	289.4	225.3	126.9	408.8	206.9
Mar.....	431.9	192.7	548.1	338.3	302.1	173.0	450.2	241.2
Apr.....	375.2	173.9	482.2	262.5	337.6	193.7	407.1	208.6
May.....	305.9	127.5	501.0	227.2	181.5	108.1	353.8	159.6
June.....	352.6	157.3	789.6	257.2	252.4	149.2	492.6	191.4
July.....	275.8	121.0	819.7	256.8	288.0	168.3	475.2	176.9
Aug.....	259.8	122.3	750.1	256.3	248.5	160.0	435.4	176.0
Sept.....	192.8	101.3	424.4	165.3	170.1	120.5	272.6	127.1
Oct.....	151.6	89.1	298.2	131.5	167.5	120.4	207.7	109.2
Nov.....	140.8	86.3	335.8	166.4	128.7	102.4	209.2	117.3
Dec.....	119.5	79.4	262.6	133.0	95.1	91.6	166.9	100.4
1921								
Jan.....	99.2	74.5	181.6	130.8	112.3	123.9	131.5	102.6
Feb.....	144.1	118.2	201.7	143.5	117.6	135.5	160.1	130.0
Mar.....	154.6	160.7	249.7	177.5	148.9	178.9	188.0	169.7
Apr.....	179.7	153.4	247.7	177.7	158.9	185.1	200.5	167.2
May.....	137.1	98.7	172.2	150.2	140.3	162.1	150.4	127.3
June.....	132.6	94.5	137.3	152.5	111.7	130.4	130.4	120.9
July.....	135.3	99.3	115.7	126.5	112.3	121.4	124.0	112.6
Aug.....	160.3	116.7	146.3	165.0	117.3	129.8	147.3	136.0
Sept.....	134.1	102.8	103.7	137.8	97.6	99.4	116.4	114.6
Oct.....	120.5	96.2	117.5	173.5	115.0	116.5	118.4	126.9
Nov.....	147.2	115.1	131.8	199.5	149.8	149.2	142.1	150.6
Dec.....	200.7	133.0	129.8	218.9	169.4	164.8	169.3	168.7

The volume of merchandise exports of these selected commodities was slightly higher in January, 1919, than in the average month of 1913, while the total value of such exports was over two and one-half times as great. This divergence between the relatives of volume and value of exported merchandise tended to become greater until September, 1920. From October, 1920, to September, 1921, however, the value and volume series have shown a marked tendency to return to their 1913 relationship. Raw materials were first affected by this curtailment in relative values, but consumers' goods and producers' goods very soon followed the same course. In October, 1921, the value of raw materials once more showed a relative increase as compared with the volume, while consumers' goods and producers' goods registered a similar movement in November.

The volume of the selected group of imports in January, 1919, was only slightly larger than in the average month of 1913, while their value was over 50 per cent greater. This difference between relative volume and value of imports for the group as a whole tended to increase until July, 1920, but after that month declined rapidly, until the volume on a 1913 base in October, 1921, was greater than the value. This decline started first in the consumers' group in October, 1919; it was registered by raw materials commencing with June, 1920, and by producers' goods commencing with August, 1920. It was finally entirely checked in November, 1921, but average prices of consumers' goods had already commenced to show a reverse movement in July, 1921.

The value of both exports and imports increased more rapidly than their volume during 1919 and the first half of 1920. Since the summer of 1920, however, these values have shrunk very rapidly, and in recent months values of selected imports are relatively lower than in 1913, while values of a selected group of exports are only about 40 per cent higher than they would have been at 1913 prices.

INDEX NUMBERS FOR THE WAGES OF COMMON LABOR

BY W. RANDOLPH BURGESS

The Federal Reserve Bank of New York has recently undertaken the compilation of an index number for the rate of pay for common labor in the second Federal Reserve District. Figures have been secured from sixteen concerns and occupations in the district employing about 20,000 workers, showing by quarters since 1913 the